

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:

Woodstock Post Office
Woodstock, Minnesota 56186

Docket No. A2012-33

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(December 19, 2011)

On October 25, 2011, the Postal Regulatory Commission (Commission) received two petitions for review from Carl E. Gearhart and Gary Ambrose objecting to the discontinuance of the Post Office at Woodstock, Minnesota. The earliest postmark date was October 3, 2011. On October 31, 2011, the Commission issued Order No. 939, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). On November 3, 2011, the Commission received an additional petition for review from a number of members of the Woodstock, MN community. In accordance with Order No. 939, the administrative record was filed with the Commission on November 9, 2011. On November 28, 2011, a group called the Citizens of Woodstock, MN, of which Mr. Ambrose is apparently a member, filed a participant statement in this docket.¹ On November 30, 2011, the Public Representative filed comments in this proceeding recommending that the Commission affirm the final determination at issue in this proceeding.

¹ For the purposes of this pleading, all references to "Petitioner" shall include the Citizens of Woodstock, MN, as well as Mr. Gearhart and Mr. Ambrose.

The appeal received by the Commission on October 25, 2011, and subsequent comments, raise four main issues: (1) the effect on postal services, (2) the impact upon the Woodstock community, (3) the economic savings expected to result from discontinuing the Woodstock Post Office, and (4) the effect on employees. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. Accordingly, the determination to discontinue the Woodstock Post Office should be affirmed.

Background

The Final Determination to Close the Woodstock, MN Post Office and Extend Service by Rural Route Service (FD), as well as the administrative record, indicate that the Woodstock Post Office provides EAS-53 level service to 34 Post Office Box customers, and zero general delivery customers. FD at 2; Item No. 18, (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet ("Fact Sheet"), at 1.² The postmaster of the Woodstock Post Office retired on May 27, 2005. A non-career employee from a neighboring office was installed as the temporary officer-in-charge (OIC). Upon implementation of the final determination, the temporary OIC will be reassigned or separated.³ The average number of daily retail window transactions at the Woodstock Post Office is 28, accounting for 27 minutes of retail workload daily. Revenue has been minimal: \$16,613.00 in FY 2008 (43 revenue units); \$18,134.00 in FY 2009 (47 revenue units); and \$16,460.00 in FY 2010 (43 revenue units).⁴ The

² In these comments, specific items in the administrative record are referred to as "Item ____."

³ FD, at 5; Item No. 41, Proposal to Close the Woodstock, MN Post Office and Extend Service by Rural Route Service (Revised) ("Proposal"), at 6.

⁴ FD, at 2; Item No. 18, Fact Sheet, at 1; Item No. 41, Proposal, at 2.

Woodstock Post Office has one meter or permit customer. FD at 2; Item No. 18, Fact Sheet, at 1; Item No. 41, Proposal, at 2.

Upon implementation of the final determination, delivery and retail services will be provided by rural route delivery administered by the Lake Wilson Post Office, an EAS-13 level office located seven miles away, which has 58 available Post Office Boxes. FD at 2; Item No. 18, Fact Sheet, at 1; Item No. 41, Proposal, at 2. This service will continue upon implementation of the FD. FD at 2.⁵

The Postal Service followed the proper procedures which led to the posting of the FD. All issues raised by the customers of the Woodstock Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and FD, customers received notice through other means. Questionnaires were distributed to delivery customers of the Woodstock Post Office. Questionnaires were also available over the counter for retail customers at the Woodstock Post Office. FD at 2; Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Woodstock Post Office, at 1. A letter from the Manager of Post Office Operations (Minneapolis, MN) was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Woodstock Post Office was warranted, and that effective and regular service could be provided through rural route delivery and retail services available at the Lake Wilson

⁵ The Lake Wilson Post Office is not a candidate facility within the Retail Access Optimization Initiative (RAOI). See Docket No. N2011-1, USPS LR-N2011-1/11 Rev 1, at <http://www.prc.gov/prc-pages/library/detail.aspx?docketId=N2011-1&docketPart=Documents&docid=75971&docType=Library%20References&attrID=&attrName=>

Post Office. The letter invited customers to complete and return a customer questionnaire and to express their opinions about the service they were receiving and the effects of a possible change involving rural route delivery. Item No. 21, Letter to Customer, at 1. The returned customer questionnaires and Postal Service response letters appear in the administrative record in Item No. 22.

In addition, representatives from the Postal Service were available at City Hall for a community meeting on June 15, 2011, to answer questions and provide information to customers. FD at 2; Item No. 21, Letter to Customer, at 1; Item No. 24, Community Meeting Roster; Item No. 25, Community Meeting Analysis; Item No. 41, Proposal, at 2. Customers received formal notice of the Proposal and FD through postings at nearby facilities. The Proposal was posted with an invitation for public comment at the Woodstock and the Lake Wilson Post Offices from June 29, 2011 to August 30, 2011. FD, at 2; Item No. 41, Proposal, at 2. The FD was posted at the Woodstock Post Office and the Lake Wilson Post Office starting on September 30, 2011, as confirmed by the round-dated FD cover sheets that appear in the administrative record.⁶

In light of the postmaster vacancy, minimal workload, minimal office revenue,⁷ the variety of delivery and retail options (including the convenience of rural delivery and retail service),⁸ very little recent growth in the area,⁹ minimal impact upon the community, and the expected financial savings,¹⁰ the Postal Service issued the FD.¹¹

⁶ This discontinuance was conducted pursuant to Handbook PO-101, dated August 2004, and updated with Postal Bulletin revisions through August 2, 2007.

⁷ See note 7 and accompanying text.

⁸ FD, at 2-5; Item No. 41, Proposal, at 2-5.

⁹ FD, at 2; Item No. 16, Community Survey Sheet; Item No. 41, Proposal, at 2.

¹⁰ FD, at 5; Item No. 17, Cost Analysis; Item No. 18, Fact Sheet, at 1; Item No. 41, Proposal, at 5-6.

Regular and effective postal services will continue to be provided to the Woodstock community in a cost-effective manner upon implementation of the final determination.

FD at 2.

Each of the issues raised by the Petitioner is addressed in the paragraphs which follow.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Woodstock Post Office on postal services provided to Woodstock customers. The closing is premised upon providing regular and effective postal services to Woodstock customers.

The Petitioner's participant statement and letters of appeal raise the issue of the effect on postal services of the Woodstock Post Office's closing, noting the convenience of the Woodstock Post Office and the importance of the Woodstock Post Office to the community. These concerns regarding the effect on postal services in Woodstock were considered by the Postal Service.

The Woodstock Post Office has a small workload because based on small mail volume and few window transactions at the Woodstock Post Office. FD, at 2; Item No. 41, Proposal, at 2. The Postal Service determines postmaster level and Post Office service hours by analyzing the workload of a Post Office. The Woodstock Post Office serves 34 Post Office Box and zero delivery customers. FD, at 2; Item No. 9, Worksheet

¹¹ FD, at 6.

for Calculating Workload Service Credit. The Woodstock Post Office has an average number of daily retail window transactions of 28, accounting for 27 minutes of retail workload daily. Item No. 10, Window Transaction Survey. Upon the implementation of the final determination, delivery and retail services will be provided by rural route delivery emanating from the Lake Wilson Post Office. The window service hours of the Lake Wilson Post Office are from 8:15 a.m. to 11:30 a.m. and 12:30 p.m. to 3:45 p.m., Monday through Friday, and 8:15 a.m. to 9 a.m. on Saturday, with 58 Post Office Boxes available for rent. FD, at 2.

The Postal Service has considered the impact of closing the Woodstock Post Office upon the provision of postal services to Woodstock customers. Rural route carriers will provide access to many retail services, alleviating the need to travel to the Post Office for most transactions. FD at 2-5; Item No. 23, Postal Customer Questionnaire Analysis, at 2; Item No. 41, Proposal, at 2-5. Many residents of Woodstock already receive rural route delivery and will see little change in their access to postal services.

Carrier service is beneficial to many senior citizens and customers with disabilities because the carrier can provide delivery and retail services to roadside mailboxes that is similar to that in Post Offices, thereby alleviating the need to travel to the Post Office. Most transactions do not require meeting the carrier at the mailbox. Stamps by mail and money order application forms are available for customer convenience. Commemorative stamps and stamp collecting products are also

available. Special provisions, such as delivery to the home of a customer, can be made for hardship cases or special customer needs.

Various options exist for the shipping of packages and purchase of stamps and shipping labels. The Stamps by Mail Program provides customers the opportunity to purchase stamps, envelopes, and post cards available from the Post Office or the carrier. The customer addresses the postage paid order form envelope, encloses payment by check or postal money order made payable to the Postal Service and can either mail the form (postage-free) or leave it in the mailbox for the carrier to pick up. Most orders are processed overnight, and some immediately. FD at 2-3; Item 41, Proposal at 2-3. In addition, stamps are available at many stores and gas stations where customers may already shop, online at usps.com, or by calling the Postal Service's toll free number.

The effect of the closing of the Woodstock Post Office on the shipping of packages was also considered by the Postal Service. Rural carriers will deliver packages that fit in a customer's rural mail box. If the packages do not fit, carriers may deliver the package up to a half-mile off of the line of travel, at a designated place, such as a porch or a carport. For carrier pick up of packages, customers can contact the Lake Wilson Post Office. Rural carriers will accept packages up to 13 ounces for mailing. Packages over 13 ounces may be picked up if the postage was printed online or with a traceable meter. FD at 3.

In sum, the Postal Service has properly concluded that all Woodstock customers will continue to receive regular and effective service via rural route delivery.

Effect Upon the Woodstock Community

The Postal Service is obligated to consider the effect of its decision to close the Woodstock Post Office upon the Woodstock community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Woodstock is an unincorporated rural community located in Pipestone County. The Pipestone County Sheriff's Department provides police protection, with fire protection provided by the Woodstock Fire Department. The community is administered politically by the City of Woodstock. FD, at 5; Item No. 41, Proposal at 5. The questionnaires completed by Woodstock customers indicate that, in general, the retirees, farmers, commuters, and others who reside in Woodstock may travel elsewhere for other supplies and services, though there are several businesses located within Woodstock. See generally FD at 5; Item No. 22, Returned customer questionnaires and Postal Service response letters; Item No. 41, Proposal at 5.

The Petitioner's participant statement raises the issue of the effect of the closing of the Woodstock Post Office upon the Woodstock community. This issue was considered by the Postal Service, as reflected in the administrative record. FD, at 5; Item No. 41, Proposal at 5. Very few concerns regarding the effect on the community were raised via questionnaires or at the community meeting. See generally FD at 5; Item No. 22, Returned customer questionnaires and Postal Service response letters;

Item No. 41, Proposal at 5. The Postal Service will assist in preserving the community's identity by continuing the use of the Woodstock name and ZIP Code in addresses and in the National Five-Digit ZIP Code and Post Office Directory. Moreover, residents may continue to meet informally, socialize, and share information at the other businesses, churches and residences in town.

Communities generally require regular and effective postal services and these will continue to be provided to the Woodstock community. Carrier service is expected to be able to handle any future growth in the community. FD, at 2, Item No. 41, Proposal, at 2. In addition, the Postal Service has concluded that nonpostal services provided by the Woodstock Post Office can be provided by the Lake Wilson Post Office.

Government forms usually provided by the Post Office are also available at the Lake Wilson Post Office or by contacting local government agencies. FD at 5; Item No. 41, Proposal, at 5.

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Woodstock Post Office on the community served by the Woodstock Post Office.

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that rural route carrier service would cost the Postal Service substantially less than maintaining the Woodstock Post Office and would still provide

regular and effective service. FD at 5, Item No. 20, Letter to Customer, at 1, Item No. 41, Proposal, at 6. The estimated annual savings associated with discontinuing the Woodstock Post Office are \$19,672.00. FD at 5; Item No. 41, Proposal, at 6.

The Petitioner challenges the FD on grounds that the savings that will be achieved by discontinuing the Woodstock Post Office are insignificant. Petitioner argues that the savings achieved by closing small rural Post Offices like the Woodstock Post Office are like a “drop in the bucket.” While the cost savings here may seem insignificant to Petitioner, it is significant to the overall cost reduction focus of the Postal Service. The Postal Service is looking at all opportunities to operate efficiently and provide effective and regular service. While the savings from any given initiative may seem small, these savings can make a difference when added together.

Petitioner also implies that the discontinuance action is inconsistent with section 101(b) of Title 39. Pursuant to 39 U.S.C. § 404(d)(2)(A)(iii), the Postal Service in determining whether to close a Post Office must consider whether such closing is consistent with the policy that the Postal Service provide “a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining.” The Postal Service's view is that the “maximum degree” obligation in section 101(b) must be read in the context of related statutory provisions. It is a directive to recognize that special consideration must be given to the greater likelihood of dependence on postal retail facilities for access to postal products and services in rural communities and small towns; however, this concern must be balanced with Congressional mandates that the Postal Service

execute its mission efficiently and economically. See sections 101(a); 403(a), (b)(1) and (b)(3); 404(d)(2) and 3661(a). Here, the Postal Service then analyzed whether a maximum degree of effective and regular postal services to the area and community could be provided with rural delivery service in the absence of the Post Office, and the answer was affirmative.

The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations. The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The postmaster retired on May 27, 2005. A non-career employee from a neighboring office was installed as the temporary officer-in-charge (OIC). Upon implementation of the final determination, the temporary OIC will either be reassigned or terminated. The record shows that no other employee would be adversely affected by this closing. FD, at 5; Item No. 15, Post Office Survey Sheet, at 1, Item No. 41, Proposal, at 6. Customers had expressed concern about loss of employment in the community. The Postal Service understands and is sympathetic to this concern, but is also charged with responsibility to promote efficiency of operations. Consequently, this concern does not outweigh the other considerations cited in support of the FD.

Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Woodstock Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Woodstock Post Office on the provision of postal services and on the Woodstock community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Woodstock customers. FD, at 2-5, Item No. 41, Proposal, at 2-5. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Woodstock Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Woodstock Post Office be affirmed.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Anthony F. Alverno
Chief Counsel
Global Business & Service Development

Elizabeth A. Reed
Attorney

475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-1137
(202) 268-3179; Fax -6187
December 19, 2011